

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
NOVEMBER 21, 2013
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:35 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, John Dailey called the meeting to order at 9:35 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Richard C. Barlotta, PA	Excused
Jorge A. Caballero, CPA	Present
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
Dennis C. Meyerson, PA	Present
Hal Model, CPA	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present

Also present at the meeting were William Mandeville, Executive Director, Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Khaled Madin, Government Representative; Brad Muniz, President-Elect, NJSCPA; Jeff Kaszerman, Government Relations, NJSCPA, and David Plaskow, Editor, NJSCPA.

II Minutes of the Meeting of October 17, 2013

The October 17, 2013 Public Session minutes were not available for Board approval. They will be reviewed and approved at the December 19, 2013 Board meeting.

III President's Remarks

Board President Dailey informed the Board that the yearly holiday luncheon will not be held following the December Board meeting. But an informal gathering will be held following the December Board meeting in the conference room. The Board meeting will start with Executive Session, followed by Public Session at 11:30 A.M.

Board President Dailey informed the Board that he attended the NASBA meeting held in Hawaii. Board President Dailey informed the Board that the UAA has been exposed and the comment period has ended. Some CPE requirements were changed.

Board President Dailey informed the Board that ten states have adopted firm mobility.

Board President Dailey also informed the Board that NASBA and Systems Automated are working together to develop a database program.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V Eric Kanefsky - Director - 10:00 A.M. **Maryann Sheehan - Deputy Director - 10:00 A.M**

Director Kanefsky and Deputy Director Sheehan postponed their meeting with the Board.

VI Regulatory Analyst Rachel Glasgow - 10:30 A.M.

Regulatory Analyst to discuss the drafted Education Regulations and Regulations for Veterans.

Regulatory Analyst Glasgow informed the Board that changes were made to the Education Regulation in November 2011. These changes were done with the previous Board members.

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to move forward with the Education Regulation. The vote of the Board was unanimous.

On a second motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to eliminate the cap on Self Study. The vote of the Board was six voting in favor with John Dailey and Jorge Caballero opposing.

On a second motion made by Michael Runge, seconded by Ainsley Reynolds, the Board voted to cap Self Study at 80 hours. The vote of the Board was voting in favor with John Dailey, Keith Balla, Jorge Caballero and Dennis Meyerson opposing.

Regulatory Analyst provided the Board with information regarding the Veterans regulations.

On a motion made by Jorge Caballero, seconded by Harold Model, the Board voted to approve the Veterans regulation. The vote of the Board was unanimous.

VII UNIFORM PENALTY LETTER IN LIEU OF FORMAL COMPLAINT FOR CPE AUDIT - RENEWAL PERIOD 2009-2011

A PAY PENALTY AND REQUESTED INACTIVE-PAID STATUS

1 Mark L. Androconis

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to approve the paid penalty and the request to place license in inactive status. The vote of the Board was unanimous.

B PAID PENALTY AND WILL MAKE UP CREDITS

1 Rosanne Fernandez - \$1,000 - paid

2 William R. Hill - \$3,000 - paid

- 3 Mark Fox - \$1,000 - paid
- 4 Sheldon P. Bransky - \$1,500 - paid
- 5 Thomas C. Borys - \$8,000 - will make payments
- 6 Teresa Cortes-Danile - \$1,000 paid - submitted credits
- 7 Kenneth Lesniak - \$7,000 - will make payments
- 8 James Tighe - \$1,500 - paid

On a motion made by Keith Balla, seconded by Daniel Geltrude, the Board voted to approve the paid penalties and the making up of credits. The vote of the Board was unanimous.

C REQUEST FOR VOLUNTARY SURRENDER

- 1 John L. Parziale
- 2 Robert J. Heyboer
- 3 Dominic Vayalumkal
- 4 Rosario Lazaro
- 5 John D. Hays
- 6 Douglas L. Herron
- 7 Mark Slosberg
- 8 Nancy L. Gale
- 9 John F. Bakley
- 10 Julie M. Connors
- 11 David L. Hathaway
- 12 Edward Steinman

- 13 Arthur Randall
- 14 Gennaro Vitale
- 15 Anthony Bannister, Jr.
- 16 Carmine Romano
- 17 Dennis E. Wirth
- 18 Jason Gerbino
- 19 Marc R. Koppelman
- 20 Edward A. Bentley
- 21 Howard S. Bloom
- 22 Gregory J. Howl

On a motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to approve the requests for voluntary surrender. The vote of the Board was unanimous.

D REQUESTED BOARD TO CONSIDER EXPLANATION

- 1 Deborah A. Last - short 63 credits - 4 L & E, 23 Tech, 36 Non-Tech (misc.) - 60 Didactic

On a motion made by Keith Balla, seconded by Dennis Meyerson, the Board voted rescind the UPL issued and inform Ms. Last that she must take 4 credits in NJ Law & Ethics and 16 in Accounting and Auditing. The vote of the Board was unanimous.

- 2 Jill Johnson - short 60 credits

On a motion made by Keith Balla, seconded by Sara DeSmith, the Board voted to rescind the UPL issued and inform Ms. Johnson that she must make up the credits she is short. Ms. Johnson is to also be informed that she must completed 120 CPE moving forward. The vote of the Board was unanimous.

3 Jun K. Park

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to uphold the UPL issued since Mr. Park did not provide information for Board review. The vote of the Board was unanimous.

4 L. Shanti Kumar

On a motion made by Keith Balla, seconded by Daniel Geltrude, the Board voted to uphold the UPL issued. The vote of the Board was unanimous.

5 Brian P. Walsh

On a motion made by Keith Balla, seconded by Sara DeSmith, the Board voted to inform Mr. Walsh that he should send a letter to the firm wherein he was employed, WeiserMazars, LLP that they must supply him with the electronic copies of the CPE credits he took. The Board should be copies on the letter being sent to the firm. If this information has not been received by the Board office within thirty days, the UPL issued is to be upheld. The vote of the Board was unanimous.

6 Jennifer Jianping Chen

On a motion made by Keith Balla, seconded by Harold Model, the Board voted to inform Ms. Chen that she has until December 15, 2013 to provide the Board office with her CPE credits. The vote of the Board was unanimous.

7 John P. Karen - short L & E only

On a motion made Keith Balla, seconded by Michael Runge, the Board voted to rescind the UPL issued and inform Mr. Karen that he must take four NJ Law & Ethics credits within 60 days. The vote of the Board was eight voting in favor with Jorge Caballero abstaining.

8 Robert DeVito

On a motion made by Keith Balla, seconded by Dennis Meyerson, the Board voted to inform Mr. DeVito that he must supply the Board office with proof that his employment benefits have expired and medical documentation from his treating physician. The vote of the Board was unanimous.

9 Richard Maycock, Jr., - short L & E only

10 Robert D. Eddy - short L & E only

11 John M. Bishop - short L & E only

12 Sharon Simmons

On a motion made by Keith Balla, seconded by Sara DeSmith, the Board voted to rescind the UPL issued and inform Ms. Simmons that once she has completed the NJ Law & Ethics course, she is to supply the Board office with a copy of her certificate the vote of the Board was unanimous.

13 Timothy Richard Weld, Jr., - short L & E only

14 Tejal Karia - short 10.5 - (4 L & E - 6.5 non-tech (misc.))

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to rescind the UPL issued and inform Mr. Karia that he must make up the four NJ Law & Ethics credits. The vote of the Board was unanimous.

15 Angel Raul Hernandez - short L & E only

16 Maja Nowak

On a motion made by Keith Balla, seconded by Sara DeSmith, the Board voted to rescind the UPL issued. The vote of the Board was unanimous.

17 Christopher F. Craig - short L & E only

18 Neil D. Aaron - short L & E only

19 Steven J. Luber - short L & E only

20 David M. Harding - short L & E only

On a motion made by Keith Balla, seconded by Michael Runge, the Board voted the UPLs issued to individuals numbered 9, 10, 11, 13, 15, 17, 18, 19 and 2 be rescinded and they are to make up the 4 NJ Law & Ethics credits. The vote of the Board was seven voting in favor with Jorge Caballero and Sara DeSmith abstaining.

VIII Committee Reports

A CPA Examination Committee

Harold Model had no report for the Board.

B Ethics Committee

Jorge Caballero reported to the Board that AICPE has changed their name to AMICPE.

On a motion made by Jorge Caballero, seconded by Harold Model, the Board voted to approve AMICPE as a webinar provider. The vote of the Board was eight voting in favor with John Dailey abstaining.

C CPE Committee

Daniel Geltrude had no report for the Board.

D RMA Committee

John Dailey reported to the Board that he spoke with the author of the RMA exam and was informed that the exam is prepared and is ready to be administer on December 6, 2013. He also spoke with graders and everyone is ready to start. Board President Dailey informed the Board that proctors are needed to assist on the day of the exam. Board President Dailey informed the Board that he will be at the State Board office on that, Ms. DeSmith that she can be available from 8:30 A.M., Mr. Balla will be available from 10:00 A.M. to 1:00 P.M. and Mr. Model will be available from 8:30 A.M.

E Peer Review Oversight Committee

Sara DeSmith informed the Board that approximately 700 letters were mailed in August to firms that have not complied with Peer Review Oversight Regulation. The response rate has been good and the list of noncompliant firms is now down to 230 firms. The Board will discuss potential next steps with respect to the 230 in Executive Session. In addition, one firm has received two consecutive "pass with deficiencies" ratings in their peer review which triggers the need for an accelerated review per our regulations. However, the PROC will discuss the timing and deadline for such a review at its January meeting as the required timing per the state regulations will be impractical to apply in this case. Ms.

DeSmith informed the Board that Mr. DuBoff visited the NJ Society on October 2nd to observe their NJ peer review “report acceptance board” process and found their procedures to be high quality and appropriate.

F Education Committee

Ainsley Reynolds had no report for the Board.

G Reciprocity Committee

Michael Runge had no report for the Board.

H Nominating Committee

Keith Balla had no report for the Board.

I Statute/Rules/Regulations Committee

Keith Balla informed the Board that they just went thru all the changes to the Education Rule. The Board now has to wait for the process to continue.

J Monitoring Profession Committee

Keith Balla informed the Board that the Committee is waiting for staff to review additional files so that a meeting can be scheduled.

IX Public Comments

Jeff Kaszerman, Director of Government Relations for the New Jersey Society CPAs. provided the Society’s report. Ralph Albert Thomas, the Society CEO and Executive Director, sends his regrets for not being able to attend today’s Board meeting. He is in New York City attending the AICPA’s Board meeting. Following are the Society’s key dates and activities and initiatives:

Reminder of Important Society Dates

- December 6th- Society’s Board Meeting and Leadership Holiday Luncheon.
- December 10th- Society’s President Gerard Abbattista will participate on an Economic Policy Panel at NJBIA’s Annual Public Policy Forum. Gerard will be sharing results from the Society’s recent survey of CPA leaders in public accounting and the private sector regarding their opinions and feelings about economic conditions nationally and in New Jersey.

•June 4th-6th, 2014 - NJSCPA Annual Convention & Expo at Bally's in Atlantic City, NJ

Mr. Kaszerman updated Board members and staff on the following Society activities and initiatives:

•The Society's CEO & ED attended the 106th Annual Meeting of the National Association of State Boards of Accountancy (NASBA), where NJSCPA past President and former President of the NJ State Board of Accountancy, Andy DuBoff, received NASBA's Distinguished Service Award. Needless to say, the Society was extremely proud that Mr DuBoff was awarded such an honor.

•S 2116, the Reciprocity Bill which the Society has been supporting, was posted this past Monday for a full vote of the Senate. The Bill was passed unanimously by the Senate, and now moves to the full Assembly for a concurrence vote, hopefully before the end of the "lame duck" session. We anticipate that Governor Christie will sign the bill if it passes the Assembly.

•The provisions of the Appeal Bond Cap Bill, which the Society has been supporting, were included in an Economic Growth Bill, S 3030. This Bill was posted in the Senate Economic Growth Committee on Thursday November 14th, and was unanimously voted out of the Committee. The Society CEO and ED testified at the Committee hearing in support of the Appeal Bond Cap provisions in S 3030. This Bill now moves to the Senate Budget Committee for a hearing sometime in December.

•Society leadership met with Assemblywoman Munoz and discussed her proposed legislation (A4378) to require mandatory audit firm rotation for local governments. As a result of our meeting, we believe we articulated that mandatory audit firm isn't the solution to her concern. The Assemblywoman has asked the Society to work with her office to propose recommendations for her consideration to create a new bill to address concerns surrounding controls over local and county expenditures.

•At a prior Board meeting the Society noted that the current reciprocity form on the Board website is outdated with respect to the list of states noted as not being substantially equivalent. Apparently, the list is still not updated because we received a complaint from a member who is a New York CPA who was informed by Board staff that the form is correct and that NY is not substantially equivalent.

Addendum Agenda

UPL in Lieu of Formal Complaint for CPE Audit - Renewal Period 2009-2011

Requested Voluntary Surrender

- 1 Lisa Marie Marotta
- 2 Michael A. Hollander

On a motion made by Keith Balla, seconded by Daniel Geltrude, the Board voted to approve the requests for voluntary surrender. The vote of the Board was unanimous.

Pay Penalty and Make Up Credits

- 1 James Puzo - \$8,000
- 2 Anthony Pulice - \$8,000
- 3 Michael Lewis - \$2,500
- 4 Patricita K. Frahame - \$8,000 - paid

On a motion made by Keith Balla, seconded by Daniel Geltrude, the Board voted to approve the paid penalties and the make up of credits. The vote of the Board was unanimous.

On a motion made by Jorge Caballero, seconded by Harold Model, the Board voted to adjourn the Public Session meeting at 12:00 P.M. to reconvene in Executive Session, to discuss the results of the Investigative Inquiry, four matters of Old Business, two Requests for CPE Waivers, one Request for Reinstatement, four Consumer Complaints and three UPL in Lieu of Formal Complaint for Audit - Renewal Period 2009-2011. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director